An Unbeholden Type

By John Roche

Director of Central Intelligence William Casey has triggered a blast of criticism, orchestrated by the coven of ex-covert wizards around Washington, by naming a "rank amateur" as deputy director for operations (DDO).

THE NOMINEE, Max Hugel, a prominent political worker in the Reagan election campaign and a New Hampshire businessman, they assert, has none of the savvy, the trained intuition, required of the man who runs the "dirty tricks" department of the CIA. He probably thinks a "mole" is an animal that

wrecks lawns.
Whether Hugel is competent is not at issue here: That has to be explored on its merits. Challenged is the proposition that only someone who spent 30 years in faceless combat with the sinister forces of the KGB is qualified to oversee the most sensitive area of intelligence operations.

It is my contention that the appointment of an extremely able amateur should be mandatory. There are plenty of good profes-, sionals to put in backup, but the man on top should have no bodies to conceal. He should not be a member of the network.

To put it differently, he should not be one who can be in essence blackmailed by the "you owe me one" gambit. For example, "Don't you ever forget who covered your behind when you floated that scheme for filling Red Square with laughing gas on May Day." This is an exaggeration, but alas not too

much of one: There is something about clandestine activities that brings out zanies, and they can't be permitted to run protection for each other.

You have to have a boss who is not enraptured by the mystique. Lenin realized this: A master of cold-blooded tactics he decided the Okhrana, the czar's secret police, had to be infiltrated and issued orders to this effect. With a codicil: If anyone volunteers, he was to be automatically disqualified. In fact, keep a close eye on him - he may be a screwball.

Cord Meyer, town crier of the rusticated spooks, has led the attack on amateurism in an article, but he neatly ducks one of the hard questions: Is the present, broadly trained, superbly talented CIA any better than the amateur hour of the immediate postwar era? What improvements have we to document the thesis that a quarter of a century "out in the cold" has improved the mettle of the agents, or their analytic perspicacity?

For starters, can he answer this: How come in early 1950 the CIA predicted a North Korean invasion of the south, while in 1979 it could not recognize that Iran was disintegrating under its nose? In 1950 there was no CIA station chief in North Korea. In the 1970s the CIA allegedly led the shah by the nose, but did not have the foggiest notion either that the king of kings had incurable cancer or that his society was falling apart.

Our intelligence organizations have taken a severe beating from characters who want them eliminated for the wrong reason: They want the KGB to have the field to itself. My problem is that I want them improved so they can field a strong team, and I have encountered too many covert operators, mainly in Southeast Asia, who were born to be central scasting heavies and

clowns. In Saigon, wily Vietnamese, supposedly key sources, had a field day rolling "CAS" (CIA) drunks. Once American military units were gulled into participation in an abortive coup believing they were on "maneuvers." Another time Marshal Ky managed to airlift troops to the northern city of Quang Tri to dispose of a rival general without American foreknowledge.

This is not the place to detail my private war with the CIA's Vietnam operation - the highly classified memoranda to the president are in: the vaults of the Johnson Library - but the central thesis was that "outside" or "amateur" types were kept out of any supervisory role. This included the top echelon of the American mission which had a couple of crack foreign service officers engaged virtually full time in trying to find out what CAS was up

to.
HOWEVER, let me go back in history for an example of the perils of "professionalism." After the disastrous defeat of their main fleet at the Battle of Midway, the Japanese general staff suspected we might be reading their mail. We had cracked their codes: A corre-spondent for the Chicago Tribune practically announced it, but no legal action was taken against him because it would have confirmed the code-crack.

To make a long story short, the Japanese went to their cryptogra-

phers and said "Hold an investigation." The cryptographers

was uncrackable, the codes were unchanged. Anyona for an "amatour"?

Approved For Release 2006/02/07: CIA-RDP91-00901R0 1020 back distinct the codes, did.

ARTICLE APPEARED ON PAGE 35

U.S. NEWS & WORLD REPORT 1 June 1981

CIA About to Start on The Comeback Trail

The nation's battered espionage service is promised more money, manpower, protection. Still needed: Cure for spies' slumping morale.

America's foreign-intelligence apparatus, tarnished by scandal and beset by budget and management problems, is on the threshold of a massive rebuilding effort.

In prospect: More money, more manpower and a renewed emphasis on clandestine operations abroad.

Behind the effort are William J. Casey, the director of central intelligence, and his deputy, Adm. Bobby Ray Inman—two intelligence veterans who are committed to strengthening not only the Central Intelligence Agency but all of the nation's spy units.

The job will not be easy. Years of budget cuts have left the agencies short on manpower and with morale at rock bottom. The number of workers engaged in overseas missions and analysis, for instance, has been chopped 25 percent over the past decade. Linguists and other experts are especially scarce.

Well-connected pair. But change already has begun under Casey and Inman, who are seen as a powerful team. Casey, a millionaire lawyer, author and entrepreneur, was Ronald Reagan's campaign manager and has a close personal relationship with the President. Inman is a career intelligence officer—described by one senator as "the outstanding intelligence expert in the

world"—who headed the supersecret National Security Agency during the Carter administration.

Convinced that America's intelligence system is very good but not nearly as good as it could be, they are asking Congress for about 10 billion dollars—an increase of at least 7 percent—to support the dozen agencies that make up the foreign-intelligence community.

About a fourth of the secret budget goes for the battlefield-intelligence systems used by the armed forces. The rest supports efforts to keep track of events throughout the world that could affect the security or vital interests of the United States. Of the 10 billion, most is earmarked for spy satellites and other intelligence-gathering technology and relatively little for the CIA itself.

Despite all the emphasis on a bigger budget, however, Casey's immediate challenge is to rebuild morale. The CIA, says its chief, "suffers from institutional self-doubt."

Morale, which began plummeting amid revelations of intelligence abuses in the mid-'70s, hit a new low during Adm. Stansfield Turner's four years as President Carter's intelligence chief. By one estimate, 2,800 CIA officers retired—many of them prematurely—during his controversial tenure.

Some observers say that Casey, a crusty former World War II spymaster, already has made substantial headway toward bucking up flagging spirits in the agency.

"There has been a rebuilding of morale," says one former official. "Casey

able to correctly judge the outcome or political developments that could have damaging consequences for the United States. Casey acknowledges that "often intelligence is expected to predict what course a country will take when the leaders of that country themselves don't know what they will do next."

During the Iranian revolution, for example, the CIA had on the payroll only one first-rate analyst on Iranian politics—a man who had not been able to visit the country recently and who was hampered by inadequate reports of what was happening.

of what was happening.

The potential for another intelligence breakdown is large, say sources. There are many countries for which the CIA still has no full-time analyst. This means that in times of crisis an

lease 206/02/07 CIA-RDP91-00901R00640in 90008c field may be called upon to make snap judgments on a country whose language he does not speak and that he has never visited.

Powerful team takes over. CIA Director Casey, left, has strong links with Reagan White House, while Deputy Director Inman ranks among world's foremost intelligence experts.





ON PACE 8

THE BOSTON GLOBE
1 June 1981

CIA draws cloak of secrecy tighter

By Daniel F. Gilmore United Press International

WASHINGTON - The Central Intelligence Agency, under Director William Casey, shows signs of fading away - not from its intelligence duties, but from public view.

Two hints the agency is pulling its cloak tighter are its decision to halt private briefings for reporters and the announcement it is "reviewing" its array of publicly available publications to determine which should remain public.

Orders for the moves were said to have come directly from Casey, chief of secret intelligence in the World War II Office of Strategic Services, who was a key figure in President Ronald Reagan's campaign organization before taking over the CIA

No announcement was made about the end of the reporters' briefings, which were conducted by CIA analysts at the agency's Langley, Va., headquarters, but a spokesman said, "It is a decision made in the agency to cope with an imposition on analysts' time."

The briefings, requested by reporters, generally involved unclassified material concerning political and economic affairs in foreign countries. The spokesman said 125 such briefings were conducted in 1980, down from a high of 247 in 1975.

As for the review of unclassified publications, the spokesman said, "there are no preconceptions on the review. It is a review,"

The materials — emblazoned with the CIA symbol — cover such subjects as Soviet oil production, world grain production, Soviet weapons expenditures and leaders of Communist-ruled countries. The agency also publishes excellent gazeteers, including detailed maps of areas in the news.

The briefings for reporters were arranged by the CIA's Office of Public Affairs, which was established in 1977 by former CIA director Stans-

field Turner. The office, headed by former Navy Capt. Herbert Hetu, has a staff of 14.

According to a statement, the public affairs office "still has the responsibility of protecting (intelligence) sources and methods and preserving secrecy but no longer is encouraged to say as little as possible about the agency."

That may change under Casey, who has yet to give a formal news conference, although he has answered questions at many public meetings.

Casey, 68, is not averse to public appearances – in the month of May he spoke publicly six times – but he keeps his distance from reporters.

It also may be significant that Casey chose Adm. Bobby Ray Inman as his deputy. Inman was the head of an intelligence branch even more secret than the CIA – the National Security Agency.

The NSA monitors foreign communications and codes and protects the security of US secret channels.

It has never had any contact with the press and is not even listed in the Congressional Directory of government agencies. It is part of the Defense Department and reportedly has a multibillion-dollar budget, but is not listed in the Pentagon phone book.

The CIA had no office or person responsible for answering media queries when it was created in 1947. Beginning in 1951, the CIA designated an official – initially a military man – to deal with the press.

The agency, in a statement several years ago, said it had moved into the public-affairs area "with no little trepidation," but was forced by unfolding events to become more visible.

"Hard as it tried ... the agency could not avoid the spotlight. Indeed, the public affairs function at CIA developed largely in response for a need for crisis handling – a kind of ad hoc evolution by flap."

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June 1981

WHO'S WHO in the Administration

The good news for those who were worried about the administration totally unleashing the CIA is that it probably won't. The director, William Casey, may be a little confused—the joke is he's developed elaborate plans to drop agents behind enemy lines to help the French resistance—but some of his appointments have been solid. Deputy director B. R. Inman hinted that he would resign if a proposal to allow domestic spying went through (it didn't). And the new general counsel, Stanley Sporkin, won high marks as a dogged director of enforcement at the Securities and Exchange Commission. When Nixon administration officials wanted him to pull back from an investigation of Maurice Stans's links to Robert Vesco, he refused. There's reason to hope he'll do the same should he encounter any CIA charter-busters....

FORT LAUDERDALE NEWS June 1981

WASHINGTON - When CIA Director William Casey appointed his old friend Max Hugel as the agency's chief spy, it sent shock waves of disbelief through the intelligence community.

"It was like bringing in a chief of naval operations who has never been in the Navy," said a former high-level CIA official who has joined the exodus of top-flight talent from the agency in the last several years.

Originally, Casey appointed the 56-year-old Hugel last Feb. 13 as deputy director of administration - a move that sent tremors through the CIA because of Hugel's complete lack of experience in modern intelligence work.

Then, early last month, Casey stunned intelligence officials by appointing Hugel director of operations, a post perhaps second in importance to that of the CIA directorship itself. Even the White House was caught by surprise: having been bypassed in the usual political clearance procedures.

What Casey had done was to place Hugel who made millions, after World War II by exporting sewing machines -in charge of the United States' clandestine operations.

Up to that point, intelligence sources say, Casey had made some shrewd decisions in an effort to rescue the agency from years of decline.

He had come into the job determined to carry out Ronald Reagan's private directive: Restore the agency to its former effectiveness. In that pursuit, Casey has surrounded himself with top intelligence officers. For example, he appointed Adm. Bobby Ray Inman, the former chief of the National Security Agency, to be CIA deputy director

Inman is held in high regard as having a razor-sharp mind, but his experience has primarily been 'limited' to technological and; analytical matters and has had little to do with the dark-side of covert operations.

Indeed, Casey himself, though a highly competent manager, has had only modest experience in intelligence activities, and that was during World War II. He came into his presentpost uninitiated in the ways of modern intelligence operations.

Thus, among the three top people running the agency, none have had deep experience in clandestine work which is the paramount mission of the CIA.

Hugel had first served as a Nashua coordinator, for Reagan in the New Hampshire primary and later was put in charge of the campaign's nationalities and minorities division. 🔆 The state of the s

Those who worked with him said he "churned out a lot of paperwork but was incapable of handling sensitive political problems

"Personally, he was a very nice gentleman. said a campaign associate. He was just in over his head when it came to politics."

But Hugel had two people in his corner who admired him greatly. First was, of course, Casey, who was a longtime friend and a neighbor of Hugel's on Long Island, where the two men maintained summer homes."

Second, there was William Loeb, the harddriving conservative editor of the Manchester Union Leader. Loeb was Hugel's pairon and pushed relentlessly for his appointment to a high post in the CIA.

Thus, when Casey reassigned Hugel's predecessor, CIA careerist John McMahon, to head the National Foreign Assessment Center, he turned to Hugel instead of pulling an experienced career officer out of the agency's ranks.

"He sent a devastating message to the agency's career employees," said one intelligence officer. "It has had a crushing effect upon morale here."

Over the last four years, more than 2,700 agents have left the CIA's clandestine service partly due to former Director Stansfield Turner's reduction in force and partly because of Congress' heavy-handed punishment of the agency and the subsequent exposure of its agents.

That exodus is expected to continue as a result_of Hugel's appointment, say knowl

edgeable intelligence sources. As one former CIA operative put it: "What Casey is telling them (career officials) is that there is no one technically qualified in the ranks to head operations as there has been in the past."

he past." Said a recent CIA retiree. "The guy who heads operations should be the master spy for the United States. In Hugel, we have a man who has absolutely no knowledge of the spybusiness."

business:

How, then, did Hugel — a relatively low-level campaign of fixip process if the liveless 2006/02/07: CIA-RDP91-00901R000400190008-9 position?